

**DETERMINATION AND FINDINGS
FOR A
SOLE SOURCE PROCUREMENT**

CONTRACT NO: CW43094

CAPTION: Administrative Services Organization Contract

PROPOSED CONTRACTOR: Public Consulting Group

PROGRAM AGENCY: Department of Health Care Finance (DHCF)

FINDINGS

1. AUTHORIZATION:

D.C. Official Code §2-354.04, 27 DCMR 27 Sections 1304, 1700, 1701 and 2005.6(b).

2. MINIMUM NEED:

The District of Columbia (District) Department of Health Care Finance (DCHF) has a minimum need for a vendor to verify Medicaid claims from Partner Agencies before submission to the Fiscal Agent for processing as well as conduct quarterly audits of Medicaid claims. The current vendor, Public Consulting Group (PCG), verifies these claims via an automated process using software that is proprietary to PCG.

3. ESTIMATED REASONABLE PRICE:

The estimated cost for this service is \$1,349,586.00. The period of performance is from 9/13/16 to 9/12/17. The DHCF did not conduct a market survey as there are no alternative databases or products available that can fulfill their requirements.

4. FACTS WHICH JUSTIFY SOLE SOURCE PROCUREMENT:

The following facts justify the Sole Source Procurement:

- A. The DHCF has a minimum need for a vendor to verify Medicaid claims from Partner Agencies before submission to the Fiscal Agent for processing as well as conduct quarterly audits of the paid Medicaid claims and associated documentation using software (PCG Software) that is proprietary to PCG.
- B. PCG Software must be used for the contract services referenced above because PCG designed and built PCG Software to the District's specifications for the contract services. As a result, PCG Software is necessary to meet the District's needs for the contract services. For example, PCG designed PCG Software to ensure that in the course of processing the Medicaid claims disallowances are reduced, and the monies provided to each agency are appropriate. In addition,

PCG Software can be augmented to increase or decrease the number of validations of Medicaid claims as needed.

- C. It would be prohibitive in terms of time and cost for the District to use software other than PCG software for the work at issue. In order to use off the shelf software instead of PCG software, the District would have to pay a vendor to significantly modify the off the shelf software to meet the District's needs and specifications for the contract services. This would result in significant costs to the District, and delays in providing the contract services.
- D. The District agreed that only PCG will be permitted to perform contract services that require use of PCG Software as it is proprietary to PCG.
- E. Accordingly, PCG is the only entity that can provide the contract services referenced above.
- F. A market survey was not performed for this procurement. PCG is the only Contractor available to continue providing this immediate requirement at the current level of expertise, without experiencing an interruption in these critical health services for District residents. PCG has performed responsibly, been responsive to the ASO population and has been found most suitable to provide services on an extended term.

5. CERTIFICATION BY AGENCY HEAD:

I hereby certify that the above findings are true, correct and complete.

Date

Wayne Turnage
Director, DHCF

6. CERTIFICATION BY CONTRACTING OFFICER:

I have reviewed the above findings and certify that they are sufficient to justify the use of the sole source method of procurement under the cited authority. I certify that the notice of intent to award a sole source contract was published in accordance with 27 DCMR 1304. I recommend that the Chief Procurement Officer approve the use of the sole source procurement method for this proposed contract.

Date

Helena C. Barbour
Contracting Officer

DETERMINATION

Based on the above findings and in accordance with the cited authority, I hereby determine that it is not feasible or practical to invoke the competitive solicitation process under either Section 402 or 403 of the District of Columbia Procurement Practices Reform Act of 2010 (D.C. Law 18-371; D.C. Official Code § 2-354.02 or 2-354.03). Accordingly, I determine that the District is justified in using the sole source method of procurement.

Date

George A. Schutter
Chief Procurement Officer